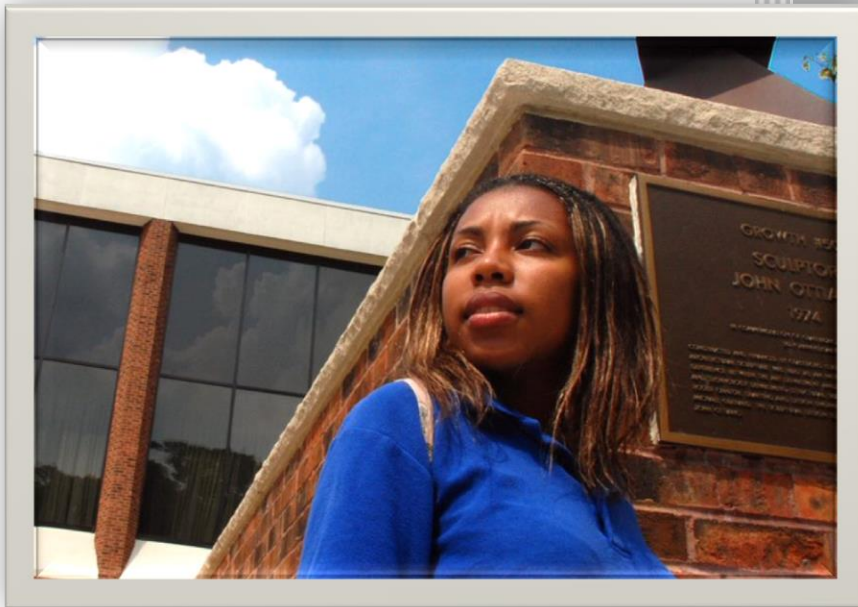


# Policy Brief: California State Funding to Tackle Homelessness

2018



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## ABOUT HOUSING CALIFORNIA

Since 1988, Housing California has been working to prevent and end homelessness and increase the variety and supply of safe, stable, accessible and permanently affordable homes.

Before becoming a formal organization, Housing California began as a conference in 1979 with a small gathering across the street from the State Capitol. The Annual Conference has since grown into one of the largest and most diverse affordable housing and homelessness conferences in the country. Housing California became a broader organization in 1988 as a result of the growing state advocacy work in affordable housing.

Housing California paves the way for developers to build more affordable homes for Californians living on the streets, or on fixed incomes and modest budgets, so that all members of our communities have a place to call home.

### **Housing California concentrates on three issues:**

- **Land Use:** Influencing where homes are built; making sure land is used efficiently.
- **Budget and Funding:** Increasing and protecting public investment in affordable homes, which spurs private investment.
- **Homelessness:** Improving outcomes for programs that prevent and end homelessness and increasing/protecting funding for innovative, cost-effective, and proven solutions.

## ABOUT CORPORATION FOR SUPPORTIVE HOUSING

CSH has been the national leader in supportive housing for over 25 years. We have worked in 48 states to help create and promote stable, permanent homes for individuals and families. This housing has transformed the lives of over 200,000 people who once lived in abject poverty, on our streets or in institutions. A nonprofit Community Development Financial Institution (CDFI), CSH has earned a reputation as a highly effective, financially stable organization with strong partnerships across government, community organizations, foundations, and financial institutions. Our loans and grants totaling over \$750 MM have been instrumental in developing supportive housing in every corner of the country. Through our resources and knowledge, CSH is advancing innovative solutions that use housing as a platform for services to improve lives, maximize resources and build better and healthier communities. [www.csh.org](http://www.csh.org).



## **POLICY BRIEF:**

# **2018 STATE FUNDING TO TACKLE HOMELESSNESS**

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## INTRODUCTION

The California State Legislature dedicated over \$700 million in the 2018 budget to address homelessness, following the passage of a package of affordable housing bills in 2017. According to Governor Jerry Brown and legislative leaders, this new investment is designed to act as a bridge to fund longer-term solutions.

The goal of this policy brief is to help jurisdictions plan for these new funding streams and understand how State dollars can be used to implement meaningful changes to addressing homelessness statewide. The brief outlines recommendations for funding, includes examples of how local communities can coordinate funding streams, and highlights innovative community models from across the State. It summarizes new programs available to communities over the next year, the timing for these programs, and specific block grant allocations available to local jurisdictions.

**Table: Funding in 2018-19**

Agency Administering	2018-2019 Funding	Eligible Applicants	Uses
<b>Department of Housing and Community Development</b>			
California Emergency Solutions and Housing Program (CESH) <sup>1</sup>	\$57 million (SB2 Y1 funds)	Continuums of Care	Local plans to address homelessness, strengthening HMIS or CES systems, rental assistance, housing stabilization and relocation services, outreach, up to 40% for emergency housing interventions (including diversion).
Housing for a Healthy California <sup>2</sup>	\$57 million (SB2 Y1 funds) + National Housing Trust Fund Allocations	Developers and Potentially Counties	Provides Californians experiencing chronic homelessness with supportive housing. National Housing Trust Fund Allocations to SH developers. SB 2 Year 1 funds to either developers or counties.
Proposition 1: The Veterans and Affordable Housing Bond Act of 2018 <b>(Contingent on voter approval Nov. 2018)</b>	\$3 billion to HCD/CalHF A programs (\$1 billion to veterans)	Affordable and supportive housing developers	Capital to develop affordable and supportive housing.
Proposition 2: No Place Like Home Act of 2018	\$2 billion	Counties in partnership with developers	Capital development of supportive housing for adults with serious mental illness and households

<sup>1</sup> A more detailed analysis of CESH begins on page 24.

<sup>2</sup> A more detailed analysis of the Housing for a Healthy California program begins on page 26.

Agency Administering	2018-2019 Funding	Eligible Applicants	Uses
(Contingent on voter approval Nov. 2018)			with children with serious emotional disturbance who are experiencing homelessness, chronic homelessness or are at risk of chronic homelessness
<b>Business, Consumer Services &amp; Housing Agency</b>			
Homeless Emergency Aid Program (HEAP) <sup>3</sup>	\$500 million	\$150 million to 11 Cities with Populations Over 330,000  \$350 million to “Administrative Entities” of Homeless Continuums of Care (CoCs)	Addressing the urgent needs of people experiencing homelessness, including prevention, diversion from criminal justice settings, and “emergency aid” (undefined); 5% set-aside for youth experiencing homelessness.
Homeless Coordinating and Financing Council	\$500,000		Staffing for Council.
<b>Department of Social Services</b>			
CalWORKS Housing Support Program	\$24.2 million	County Social Services Agencies	Rapid Re-Housing for CalWORKS families experiencing or at risk of homelessness.
CalWORKS Homeless Assistance Program	\$8.1 million	County Social Services Agencies	Supplement to CalWORKS payment for homeless CalWORKS families.
Senior Home Safe Program	\$15 million	County Adult Protective Services Programs	Rapid Re-Housing-like intervention for seniors.
<b>Office of Emergency Services</b>			
Domestic Violence Shelter Program	\$10 million	Domestic Violence (DV) Shelter Providers	Shelters for DV survivors.
Homeless Youth and Exploitation Program	\$1 million	One Non-Profit Youth Provider in Each Identified County	Shelter, transitional housing, food, clothing, outreach, other services.

<sup>3</sup> A much more detailed analysis of HEAP, along with a list of eligible uses, are on pages 21.

Agency Administering	2018-2019 Funding	Eligible Applicants	Uses
<b>Department of Health Care Services</b>			
Homeless and Mental Illness Outreach & Treatment Program <sup>4</sup>	\$50 million	County Mental/Behavioral Health Agencies	Outreach & treatment to people experiencing homelessness and living with mental illness.
<b>Board of State &amp; Community Corrections</b>			
Adult Reentry Grant Program <sup>5</sup>	\$50 million	Community-Based Organizations	\$25 million for rental assistance; \$15 million for rehabilitation of buildings to create housing; \$9.35 million for reentry services for people reentering communities from prison.
<b>Total 2018-19 State Budget for Homeless Programs</b>	<b>\$772.8 million</b>		

<sup>4</sup> A more detailed analysis of the Homeless Mentally Ill Outreach and Treatment Program begins on page 28.

<sup>5</sup> A more detailed analysis of the Adult Reentry Grant Program begins on page 27.

## RECOMMENDATIONS FOR SPENDING GRANTS

Some new sources of funding are one-time grants intended to provide homeless Continuums of Care (CoCs), cities, and counties flexibility in addressing homelessness. The fact that the funding is one-time, has quickly approaching application deadlines, and short timelines for spending makes some of the funding challenging to use. However, communities can use these sources with greatest impact if they use the funding in coordination while leveraging existing dollars to innovate and achieve real reductions in homelessness.

### Plan For and Implement Evidence-Based Solutions, Rather Than Attempt Quick Fixes

The proven solution to end homelessness is a permanent, safe place to live that is affordable to people in deep poverty.<sup>6</sup> Investments in this evidence-based solution will reduce homelessness statewide and offer more opportunities for additional State funding in the future. State funding passed over the last two years provides communities with opportunities to transform homeless systems, fund evidence-based approaches, and augment local efforts to house the most vulnerable populations. CoCs and local governments can invest one-time grants into homelessness reduction strategies. To do this, communities should consider the following:

**Planning.** While interim interventions can keep people safe temporarily, they do not solve homelessness unless coupled with pathways to permanent housing.<sup>7</sup> A number of communities across the State and the nation are examining gaps in their homeless response, then using that data to identify critical needs and plan strategies based on national best practices. Many of these communities modeled goals on the data-driven federal plan to address homelessness, Opening Doors, which HUD uses in allocating federal funding.<sup>8</sup> As part of data analysis, communities are assessing need for shelter beds based on people entering and exiting homeless systems, and have prioritized investments in moving people into permanent housing to allow people to exit homelessness more quickly.

**Housing First.** Any innovation should start with local adoption of Housing First strategies. Housing First acknowledges that anyone experiencing homelessness must first be able to access a decent, safe place to live that does not limit length of stay (permanent housing) before stabilizing, improving health, reducing harmful behaviors, or increasing income. Under the Housing First approach, those experiencing homelessness should be connected to a permanent home as quickly as possible. This approach also attempts to remove barriers to accessing housing, like requirements for sobriety or absence of criminal history.

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<sup>6</sup> U.S. Interagency Council on Homelessness (USICH). The Evidence Behind Approaches that End Homelessness. Dec. 2017. [https://www.usich.gov/resources/uploads/asset\\_library/evidence-behind-approaches-that-end-homelessness.pdf](https://www.usich.gov/resources/uploads/asset_library/evidence-behind-approaches-that-end-homelessness.pdf).

<sup>7</sup> USICH. Strengthening Crisis Response Systems. Webpage updated Aug. 15, 2018. <https://www.usich.gov/solutions/crisis-response/>.

<sup>8</sup> The U.S. Interagency Council on Homelessness recently released an updated Plan called Home, Together. <https://www.usich.gov/home-together/>.

Nationally, communities collectively reduced the number of people experiencing chronic homelessness by 27% from 2010 to 2016 through adoption of Housing First policies promoting investment in permanent housing.<sup>9</sup> Multiple communities, including in California, have seen homelessness trending downward after investing in housing.<sup>10</sup> Communities are also re-designing emergency systems to be low-barrier, to offer a safe place year-around, to include options for interim housing aside from shelter, and to provide housing navigation to move people into permanent housing as quickly as possible, thereby ensuring people are able to exit homelessness.<sup>11</sup>

In 2016, Governor Brown signed Senate Bill 1380 (Mitchell),<sup>12</sup> declaring California a “Housing First State.” Under SB 1380, every State agency must adopt or change existing regulations to ensure housing and housing-based services programs comply with “core components” of Housing First identified in the legislation. All programs that the State funds (local and State-administered) must adopt these core components. To determine whether a local program complies with the core components of Housing First under State law, several state agencies adopted a checklist developed by CSH. Local communities can similarly use the checklist as a way to gauge compliance and determine needed improvements.<sup>13</sup>

CESH dollars in particular can be used to plan for or transform communities toward Housing First responses. HEAP could also be used to transform shelters to be low-barrier and more accessible, to pay for housing navigation (along with CESH), or to create a CES that moves youth into housing quickly.

**Funding Housing and Services.** Study after study shows ending experiences of homelessness for individuals and families requires a long-term housing response, not an emergency response. Affordable housing, supportive housing, rental assistance, and services that help people access housing and stay stably housed, significantly reduce return to homelessness over the long term. In comparison, people who exit shelters without permanent housing experience repeated episodes of homelessness over time.<sup>14</sup>

## **Learn from Emerging Work for Youth Experiencing Homelessness**

CoCs receiving HEAP funds must expend at least 5% of their HEAP grants to address youth homelessness. HUD is piloting homeless youth planning processes and innovative programs

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<sup>9</sup> U.S. Department of Housing & Urban Development (HUD). *Annual Homeless Assessment Reports to Congress*. 2010-2016.

<sup>10</sup> See, for example, the Los Angeles Homeless Services Authority Homeless Point-in-Time Count from 2018. <https://www.lahsa.org/news?article=410-2018-homeless-count-results>.

<sup>11</sup> USICH. Using Shelter Strategically to End Homelessness. Apr. 2016. [https://www.usich.gov/resources/uploads/asset\\_library/Using\\_Shelter\\_Strategically\\_to\\_End\\_Homelessness\\_blog\\_formatted.pdf](https://www.usich.gov/resources/uploads/asset_library/Using_Shelter_Strategically_to_End_Homelessness_blog_formatted.pdf).

<sup>12</sup> Codified as California Welfare & Institutions Code §§ 8255, et. seq.

<sup>13</sup> See Appendix C for Housing First checklist.

<sup>14</sup> D. Gubits, M. Shinn, M. Wood, et. al. *Family Options Study: 3-Year Impacts of Housing & Services Interventions for Homeless Families*. Prepared for the U.S. Department of Housing & Urban Development. Oct. 2016.

across the nation through the Youth Homelessness Demonstration Program (YHDP). In funded sites, CoCs are partnering with local or state child welfare agencies, other key youth-serving stakeholders, and young people with lived experience to design a system and process that will end homelessness among youth up to age 24. YHDP is propelling three key areas of community focus to end youth homelessness:

1. Facilitate a planning process that implements a systemic approach to ending youth homelessness that includes other system partners, scales the response to the size of the need, and uses the U.S. Interagency Council on Homelessness Criteria and Benchmarks for Ending Youth Homelessness.<sup>15</sup>
2. Encourage planning with a host of funding streams targeted at solving different pieces of the puzzle.
3. Foster innovation where the interventions we have for single adults and families are not quite right for young people experiencing homelessness.

The first round of YHDP recipients reported these recommendations:

- Collaborate with youth with lived experiences of homelessness in creating new systems or programs, include them in all aspects of decision-making, and pay them for their work.<sup>16</sup>
- Use data to make decisions and design a youth system. Collect it from a variety of sources, including CoC system performance, existing community programs, school districts, point-in-time counts, and systems feeding into homelessness. Include information on housing inventory for the population, length of time youth experience homelessness, and rates of return to homelessness. Communities could then scale, tweak and develop the array of programs that will end homelessness for them.<sup>17</sup>
- Create partnerships between homeless, education, child-welfare, juvenile justice, health, and workforce systems to establish new strategies.<sup>18</sup>
- Use demographic information from subpopulations to influence implementation to correct system biases and to ensure programs address pregnant and parenting youth.
- Implement Housing First, positive youth development, and trauma-informed care approaches. CoCs and cities should ensure that staff are trained and leadership is implementing cultural shifts.<sup>19</sup>

CoCs investing HEAP funds could support the following for the biggest impact:

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<sup>15</sup> USICH. Criteria & Benchmarks for Achieving the Goal of Ending Youth Homelessness. Feb. 27, 2018. <https://www.usich.gov/tools-for-action/criteria-and-benchmarks-for-ending-youth-homelessness/>.

<sup>16</sup> U.S. Department of Housing & Urban Development (HUD). *A Guide for Engaging Youth in Decision Making and Planning*. May 2017. <https://www.hudexchange.info/resource/5321/guide-for-engaging-youth-in-decision-making/>.

<sup>17</sup> USICH. *Criteria & Benchmarks for Achieving the Goal of Ending Youth Homelessness*. Feb. 2018. [https://www.usich.gov/resources/uploads/asset\\_library/Youth-Criteria-and-Benchmarks-revised-Feb-2018.pdf](https://www.usich.gov/resources/uploads/asset_library/Youth-Criteria-and-Benchmarks-revised-Feb-2018.pdf).

<sup>18</sup> HUD, USICH, & U.S. Department of Health & Human Services. *Ending Youth Homelessness: Mainstream System Collaboration*. <https://www.hudexchange.info/resources/documents/Ending-Youth-Homelessness-Mainstream-System-Collaboration.pdf>.

<sup>19</sup> HUD. *Using a Housing First Philosophy When Serving Youth*. May 2017. <https://www.hudexchange.info/resources/documents/using-a-housing-first-philosophy-when-serving-youth.pdf>; Family & Youth Services Bureau, HHS. *Screening & Assessment Tools for Runaway & Homeless Youth Programs*. Mar. 2016. <https://rhyclearinghouse.acf.hhs.gov/sites/default/files/screening-assessment-tool-20160314-508-1150.pdf>.

- Existing or new youth housing and services supports;
- Processes that would build the system: partnerships and knowledge across stakeholders to address the needs of youth experiencing homelessness;
- Creation of coordinated entry systems,<sup>20</sup> designed specifically for youth to standardize and streamline the process for youth to exit homelessness.

## **Strategically Coordinate Sources of Funding**

Communities can achieve the greatest reductions in homelessness and improvements to homeless systems if coordinating across jurisdictions and funding streams:

**Planning and Implementation of Housing First Approaches.** CoCs could use CESH money, potentially available before other grants, to arrive at concrete strategies to make homeless systems more effective. Though CoCs cannot use HEAP to fund planning, CoCs could use HEAP to complement efforts to design and implement CES for single adults, families, and youth experiencing homelessness, to pay for costs to operationalize improvements to CES for two years, and/or to contribute to a newly-created flexible housing subsidy pool. Flexible State funding provides communities with the opportunity to invest in system-wide processes that improve system performance, including the opportunity to:

- Identify data sources,
- Analyze data to determine need for different housing interventions, including for youth,
- Arrive at strategies to address gaps in homeless systems, including youth systems,
- Improve data systems, like Homeless Management Information Systems (HMIS),
- Establish or strengthen coordinated entry systems (CES),
- Fund capitalized services reserves to pay for housing navigation services connected to CES to help people move quickly into permanent housing,
- Create a move-in assistance program to help people moving into housing obtain whatever necessary to stabilize,
- Create a youth-specific CES,
- Plan for partnering with child welfare, criminal and juvenile justice, and health systems to prevent inflow from these systems into homelessness, and
- Partner with housing authorities to dedicate turn-over Housing Choice Vouchers to people experiencing chronic homelessness.

**Funding Housing with One-Time Resources.** Communities can use new State funding to create permanent housing opportunities for people experiencing homelessness, particularly if , partnering with community development agencies to coordinate capital, operating, rental assistance, and services costs.

- HEAP can fund predevelopment, such as site control or acquisition, engineering studies, architectural plans, and site preparation, to create affordable or supportive housing.

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<sup>20</sup> HUD. *Coordinated Entry for Youth Experiencing Homelessness*.  
<https://rhyclclearinghouse.acf.hhs.gov/sites/default/files/screening-assessment-tool-20160314-508-1150.pdf>.

- Through contracts with a housing authority or intermediary, HEAP and CESH can fund a reserve or pool to spend over time to move people experiencing homelessness to housing existing in the private market.
- HEAP and CESH can pay for capitalized operating subsidy reserves for existing or new projects in the development pipeline.
- CoCs can work with cities or counties to use HEAP for gap or construction financing for an affordable or supportive housing project, or for acquisition and rehabilitation of motels or other buildings, and to use CESH dollars for capitalized operating subsidy reserves.
- CoCs can use HEAP to pay for move-in expenses and landlord incentives, and HEAP and CESH can be first-in dollars to generate flexible housing subsidy pool contributions.
- CoCs could supplement existing rapid re-housing dollars by providing shallow subsidies for families exiting rapid re-housing who cannot afford their rent.

**Table: Examples of Using New Funding to Offer Housing Opportunities**

Housing Activity	New Funding for Capital	Leverage Existing \$	Partnerships
<b>New Supportive or Affordable Housing Projects for People Experiencing Homelessness</b>	<b>HEAP:</b> <ul style="list-style-type: none"> <li>• Rehabilitation</li> <li>• Acquisition &amp; Other Pre-Development Costs</li> <li>• Gap Financing for Projects in Pipeline (Due to Lease Up by June 2021)</li> <li>• 15-Year Capitalized Services Reserve</li> </ul>	<b>Veterans Housing &amp; Homelessness Prevention Program:</b> Capital	CoCs with Cities or Counties, Developers, Health Plans, Services Providers, Housing Authorities
		<b>Tax Credits:</b> Capital	
	<b>CESH:</b> 15-Year Capitalized Operating Subsidy Reserve	<b>Health Home Program:</b> Services	
	<b>Veterans &amp; Affordable Housing Bond Act:</b> Capital	<b>Housing Choice Vouchers:</b> Operating	
<b>Flexible Housing Pool for Health or Reentry Population</b>	<b>HHC:</b> Capital		
	<b>CESH:</b> <ul style="list-style-type: none"> <li>• Seed Funding</li> <li>• Rental Assistance for Up to 48 Months</li> <li>• Services Funding</li> </ul>	<b>Local Funding:</b> Contributions from County Health or Criminal Justice Systems, Health Plans or Hospitals	CoCs with Counties' Health/ Probation/Jail Departments, Health Plans, Hospitals, Housing & Services Providers
	<b>HEAP:</b> <ul style="list-style-type: none"> <li>• Seed Funding</li> <li>• Move-in Costs</li> <li>• Landlord Incentives</li> <li>• Capitalized Rental Assistance or Operating Subsidy Reserve</li> <li>• Capitalized Services Reserve</li> </ul>	<b>Building Homes &amp; Jobs Trust Fund Program (SB 2):</b> Ongoing Contributions to Pool for Rental Assistance or Services (from Cities or Counties)	

Housing Activity	New Funding for Capital	Leverage Existing \$	Partnerships
	<b>Adult Reentry Grant:</b> <ul style="list-style-type: none"> <li>Rental Assistance</li> <li>Services</li> </ul>		
Rapid Re-Housing	<b>CESH:</b> <ul style="list-style-type: none"> <li>Rental Assistance for Up to 48 Months</li> <li>Services</li> </ul>	<b>Emergency Solutions Grant Program</b> <b>Building Homes &amp; Jobs Trust Fund Program</b>	Housing Authorities, Services Providers
Shallow Rental Subsidies	<b>CESH:</b> Rental Assistance for Up to 48 Months <b>HEAP:</b> Extended Rental Assistance for Families Receiving RRH Until June 2021	<b>Local Funding:</b> Ongoing Funding <b>Building Homes &amp; Jobs Trust Fund Program:</b> Ongoing Funds	Cities or Counties, Housing Authorities

## CASE STUDIES DEMONSTRATING INNOVATION

### Communities Receiving Over \$12 Million in State Funding

Communities receiving over \$12 million in funding can create new, integrated systems to move people from homelessness to permanent housing, strengthen existing systems, and plan for and implement strategies to tackle homelessness among youth.

#### **Los Angeles Flexible Housing Subsidy Pool**

In 2014, the Los Angeles County Department of Health Services (DHS), under the committed leadership of Dr. Mitch Katz, launched its Flexible Housing Subsidy Pool (FHSP). The goal of the FHSP was to secure quality affordable housing for DHS patients experiencing homelessness. With contributions from DHS, the Hilton Foundation, and Supervisor Mark Ridley-Thomas, and more recently from the Department of Probation, Department of Mental Health, and LA Care Health Plan, the FHSP pools resources to offer flexible funding for rental subsidies, move-in assistance, utility payments, and services for private-market landlords, master-leased apartments, and single-site supportive housing projects.

The County created the FHSP with an \$18 million initial investment, administered through the Housing for Health program under DHS, sparked through Hilton Foundation seed funding. The FHSP allows public and private entities to contribute one-time or ongoing funding, but commits ongoing rental assistance to private-market landlords, and 15 years of operating subsidies to supportive housing developers.

Housing for Health contracted with Brilliant Corners as an intermediary securing housing options for FHSP recipients. Brilliant Corners staff engages landlords to accept rental assistance, provides move-in assistance, administers rental assistance, and coordinates with case managers to promote housing stability. Landlords are willing to participate because they receive regular, on-time rental payments from Brilliant Corners and have a single point of contact for any issues with tenants.

DHS contracts with homeless services providers across the County to offer intensive case management services, funded through FHSP. Services help the transition to permanent housing and with housing stability. Case managers are available to respond when issues arise and support the long-term success of the resident.

Housing for Health staff also partner with housing authorities to deploy turn-over vouchers for apartments receiving intensive case management services. Los Angeles County has also committed Whole Person Care funding to fund some of the intensive case management services, move-in costs, and housing navigation for residents experiencing homelessness. As of 2017, public and private entities have committed over \$40 million to the FHSP to house over 2,400 people.

### **Homeless Youth Set-Aside: San Francisco Youth Homelessness Demonstration Program**

San Francisco was awarded an initial two-year grant for a total of \$2.9 million through the HUD Youth Homelessness Demonstration Program (YHDP). The San Francisco Department of Homelessness and Supportive Housing (HSH) invested additional dollars to create a Coordinated Community Plan to Prevent and End Youth Homelessness, and committed to reducing youth homelessness by 50% by 2022.

Four projects are receiving YHDP funds:

Agency	Project Type	Funding for	Budget	# Served	Population
Third Street	Rapid Re-Housing	Rental Assistance & Case Management	\$465,000	15	Singles/ Parenting
Larkin Street/Young Adult Courts	Supportive Housing	Leasing & Case Management	\$410,000	12	Singles
The Center	Host Home	Staff & Case Management	\$350,000	15	Singles
Department of Homelessness & Supportive Housing	Coordinated Entry	Staff & Case Management	\$225,000	n/a	n/a

San Francisco is using the YHDP and HSH funds to invest in the following innovations:

- A housing-focused youth navigation center to provide short-term shelter stays and housing navigation for youth.
- Recruiting, screening, training, and supporting community volunteers (“hosts”) for Host Homes, who have an available room to provide short-term supportive housing, food, and a supportive living environment for youth experiencing homelessness. San Francisco is using this innovation for LGBTQ youth.
- Permanent housing for youth who are participants in San Francisco’s Young Adult Court, a diversion program. Through a collaboration between the Collaborative Court and Larkin Street, which also funds rental subsidies and independent living supports through its Pathways Program, this program will fund housing for the juvenile justice population experiencing homelessness.
- Rental subsidies for single and parenting transition-age youth with a focus on the Bayview neighborhood.
- Diversion funds for youth.
- A large scale employment program.
- A rapid re-housing program for youth.

## **Communities Receiving \$7-12 million**

Communities in this category can use one-time investments to spur new or expand outreach programs for underserved populations, broker partnerships between systems (such as health and housing, child welfare and housing, or criminal justice and housing), and fund programs to move people into permanent housing.

### **Contra Costa's Coordinated Outreach, Referral, and Engagement Program**

The Coordinated Outreach, Referral, and Engagement (CORE) program is redefining outreach in Contra Costa County. Launched in 2017, CORE serves as one of three entry points into Contra Costa's Coordinated Entry System, bringing services and resources directly to more than 3,000 residents. Using evidence-based practices, CORE teams employ a social case management model to engage people sleeping on the streets, in vehicles, and in encampments.

CORE teams canvas the county to identify and connect persons experiencing homelessness to healthcare, social services, and housing. Local law enforcement joins two teams that focus their work within specific city boundaries. The County's Public Works Department invested in CORE teams to work with people living in encampments along the canals in Contra Costa County. CORE's partnership with Healthcare for the Homeless brings primary and behavioral healthcare into the field to deliver medical services to those who need it, including the administration of buprenorphine for people with opiate addiction.

### **Inland Empire Health Plan: Partnering to House Homeless Medi-Cal Beneficiaries**

The Inland Empire Health Plan (IEHP) is contracting with Brilliant Corners to implement a housing subsidy pool strategy to house 225 Health Plan members experiencing homelessness by June 2019. Health Plan goals include the following:

- Create a pool of apartments with private-market landlords receiving fair market rent or above, primarily 0-1 bedroom units, within areas clients want to live.
- Secure apartments primarily on the first floor to accommodate people with disabilities.
- Set aside some apartments within senior living communities for aging members experiencing homelessness.

Brilliant Corners establishes relationships with landlords and maintains a portfolio of apartments that landlords agree to hold. Having landlords hold apartments allows Brilliant Corners staff to move people experiencing homelessness into housing as quickly as possible. The Plan funds landlord incentives, including holding fees, funding for needed repairs, and damage mitigation to attract landlords to the program. Brilliant Corners also administers program-funded rental assistance. With short-term commitment of investment, IEHP is attempting to reduce homelessness among their members over the long term.

### **Homeless Youth Set Aside: Santa Cruz Youth Homelessness Demonstration Program**

The Santa Cruz CoC received \$2.2 million in funding through the HUD Youth Homelessness Demonstration Program (YHDP). Prior to receiving the grant, the CoC had very few programs to

address youth homelessness. The CoC has used the YHDP grant to create the following programs through two-year contracts:

- SmartPath, a coordinated entry system run by the Santa Cruz Human Services Department, has incorporated assessments for youth experiencing homelessness, along with outreach workers with lived experience who enter assessments into HMIS in real time. Youth get linked to emergency shelter, meals, medical care, employment and benefits assistance, and free phone service.
- Through a partnership between the Santa Cruz County Housing Authority and Encompass, a homeless youth services provider, New Roots provides supportive housing to youth experiencing homelessness and long-term disabilities. Case managers meet regularly with supportive housing tenants, and tenants receive support in education, employment, and life skills.
- Two rapid re-housing programs for pregnant and parenting youth, one through the Young Adults Achieving Success program run by Families in Transition and one through the Homeless Services Center. Both employ peers with lived experience of youth homelessness to provide some of the services participants receive.
- The Youth Homelessness Response Team is a collaboration between the Community Action Board of Santa Cruz County and the Santa Cruz County Office of Education to identify and outreach to vulnerable transition age youth. Multidisciplinary teams help youth who are homeless or at imminent risk of homelessness to access coordinated entry, school-based services, case management, referrals to support services (e.g. health insurance, transportation, crisis counseling, and legal and immigration support), housing navigation, education, and employment training and mentoring. The Response Team hopes to serve a total of 150 youth over a two-year period.
- The Santa Cruz County Host Homes program, administered by the Bill Wilson Center, provides room rentals and services for homeless youth for an average stay of six months. Hosts, who receive extensive training, are homeowners who agree to rent a room to youth experiencing homelessness. Tenants have a choice in where to live and are offered wraparound services as part of the program.

## **Communities Receiving \$1.6 - 7 Million**

Communities receiving funding within this category can invest in systems change through planning, improvements to HMIS, and strengthening CES. Communities can invest seed funding in new systems, like flexible housing subsidy pools, and use the pools, along with ongoing SB 2 funds, to pay for services, operating subsidies, and rental assistance. Communities can also fund new affordable and supportive housing projects.

### **San Mateo's Plan to Address Homelessness**

In 2016, the San Mateo County Department of Human Services, which leads the CoC, published a new plan to prevent and end homelessness in San Mateo County by 2020. The County completed key stakeholder interviews, and held collaborative learning meetings and meetings with providers to draft the Plan.

The Plan was based on guiding principles of creating a system that responds effectively and rapidly to the crisis of homelessness through stable housing. The Plan acknowledges that people experiencing homelessness need housing above all else.

The Plan includes the following strategies:

- “Optimally sized and structured” shelter beds, transitional housing, and rapid re-housing programs over two to five years, based on data “to ensure rapid exit from homelessness to permanent housing” for single adults, families, and youth.
- Shifting all parts of the system toward a Housing First response.
- Establishing and strengthening CES that includes access points throughout the County.
- Developing a robust diversion program.
- Expanding rapid re-housing and supportive housing capacity.
- Using data for continuous quality improvement.
- Expanding interim housing interventions to include motels and transitional housing.
- Avoiding discharges to homelessness when leaving institutional settings.

A County interagency council implements and oversees the work of the plan, in close coordination with the San Mateo CoC Steering Committee. The County also created Housing Our Clients, a group of representatives from County health, human services, housing, and probation departments, along with the San Mateo Health Plan (the Medi-Cal managed care organization), and the Sheriff’s Office. Together, Housing Our Clients works to identify and refine strategies to serve homeless residents who frequently use multiple systems. Each of these County agencies has a specific role in the Plan to end homelessness.

### **Santa Clara County: Family Homelessness Prevention System**

Homelessness prevention is difficult to implement because households who would become homeless, but for the assistance, are difficult to identify. However, Santa Clara County is attempting a new program that would catch families on the brink of homelessness. Destination: Home worked with Santa Clara County, the City of San Jose, and several foundations to invest over \$4 million for a 27-month pilot program to prevent homelessness among 660 families. The goal of the pilot is to implement a countywide homelessness prevention system. Sacred Heart Community Services and Emergency Assistance Network organizations serve as coordinating partners to provide rental assistance, case management, and access to legal assistance across Santa Clara County for families at greatest risk of homelessness. It helps families maintain their housing and avoid the devastating financial and emotional costs of homelessness. In its first year of operation, 94% of families remained stably housed. Households receive an average of \$2,996 in assistance per year. The University of Notre Dame's Lab for Economic Opportunity is evaluating the program.

## **Communities Receiving Less than \$1.6 Million**

Many communities will receive less than \$2 million through the new State programs. These communities can use the funding in the following ways:

- In smaller communities, ending homelessness is possible, particularly among subpopulations of people experiencing homelessness like people experiencing chronic or youth homelessness, should jurisdictions collaborate and plan.
- Invest in one supportive housing project through pre-development funding for a supportive housing site, gap financing for projects already in the affordable or supportive housing pipeline, or rehabilitation of a motel or existing apartment building.
- Strengthen systems like HMIS and CES.
- Create a flexible housing subsidy pool, with seed funding through one-time investments, and ongoing support from SB 2.

### **Napa: Planning, Strengthening Systems, Flexible Housing Subsidy Pool**

In 2015, Napa City and County convened stakeholders, brought in national experts, created “systems mapping” that showed the inflow and exits into and out of their homeless system, and created a map of existing resources to assess local needs.

They arrived at multiple strategies to shift their homeless systems from a program by program approach to a more systematic approach embracing Housing First. They developed four goals:

- Providing the most vulnerable people experiencing homelessness with better access to systems and housing.
- Prioritizing and aligning limited resources more effectively.
- Increasing exits from the homeless system to permanent housing.
- Integrating the homeless system with health, criminal justice, and child welfare systems.

The City and County formed a partnership and together are working toward countywide performance measures, as part of their No Place Like Home plan. They adopted a Housing First approach throughout their systems, and hired a high-capacity services provider, Abode Services, to help get people experiencing homelessness into permanent housing. Napa is also working to remove barriers and unnecessary eligibility criteria for tenancy, and eliminated the following requirements: sobriety, treatment compliance, agreement to participate in services, and minimum income.

Napa decided to adopt data-driven practices, strengthened HMIS, and plans on developing a simple and clear set of outcome measures to regularly check progress.

Now working toward implementation of their plan, Napa is making progress on the following specific strategies:

- Expanding outreach, with outreach staff available seven days a week.
- Establishing a coordinated entry system that assessed over 600 residents by the end of 2017. This system prioritized residents based on vulnerability and referred residents to housing providers in the region.
- Creating a diversion program, with coordinated entry assessment staff trained in diversion strategies.
- Transforming shelters to low-barrier and training shelter staff in low-barrier practices.
- Completing a challenge to house 75 households in 100 days through rapid re-housing.

- Launching a flexible housing subsidy pool to combine health plan and County health resources into one fund. Napa County hired an intermediary to administer the rental assistance and services available under the subsidy pool for high-cost health users experiencing homelessness.

Finally, Napa plans to create a funder's collaborative and managed pipeline to coordinate and leverage all public and philanthropic funding streams.

**Rural Investments in Youth Homelessness: Examples from Communities in Other States**

With the award of YHDP funding, communities like Traverse City/Grand Traverse County, Michigan and the Southeastern Promise Zone Counties in Kentucky, have used YHDP funding to create community-wide processes for ending youth homelessness that did not previously exist. The investment allowed local stakeholders to organize to create a systematic effort to end youth homelessness that draws on the strengths and leadership in the community, and builds on efforts not previously youth-targeted. The Grand Traverse CoC also developed a plan that leverages all investments, including state, local and federal funds, including Health and Human Services-funded Runaway and Homeless Youth grant.

## APPENDIX A: NEW PROGRAMS FOR CALIFORNIANS EXPERIENCING HOMELESSNESS

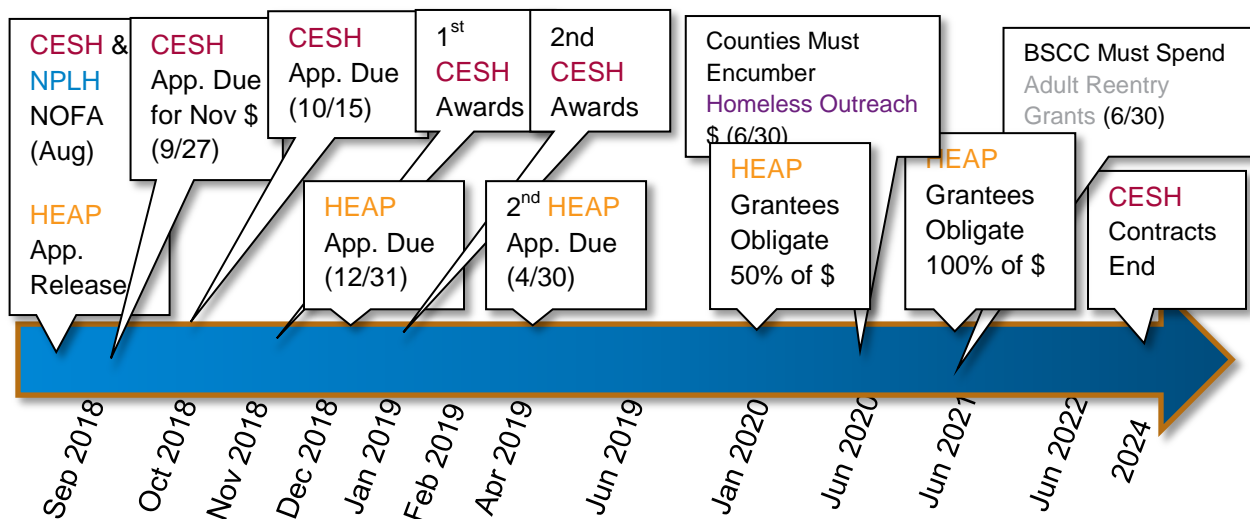
Table: New Programs & Eligible Uses

	One-Time or Ongoing	Eligible Uses								
		Capital	Operating Subsidies	Services for SH & RRH	Rental Assistance for RRH & SH	Planning	Creating/ Strengthening	One-time Contributions to Flexible Housing Subsidy Pools	Capital for Shelters or Recuperative Care	Interim Housing Operating
Homeless Emergency Aid Prog. (HEAP) (BCSH) to Large Cities & CoCs	One-time, Up to 3 Rounds	Pre-Dev. & Gap Financing	Capitalized Subsidy Reserve	Capitalized Services Reserve	No	No	Yes	Yes (no limits)	If Encumbered by June 2021	Must be Used by June 2021
CA Emergency Solutions & Housing Prog. (CESH) (HCD) to CoCs	One-time	Yes	For Up to 48 Months or Capitalized Reserve	Housing Navigation, Stabilization, Relocation	For Up to 48 Mns.	Yes	Yes	Yes, for Services or Up to 48 Months of Rental Assistance	No	Up to 40% of Grant (total for emergency interventions)
Housing for a Healthy CA (HHC) (HCD) to Developers or Counties	One-time	Yes	Capitalized Subsidy Reserve	County Must Fund Services	Yes	No	No	Yes	No	No

	One-Time or Ongoing	Eligible Uses								
		Capital	Operating Subsidies	Services for SH & RRH	Rental Assistance for RRH & SH	Planning	Creating/ Strengthening	One-time Contributions to Flexible Housing Subsidy Pools	Capital for Shelters or Recuperative Care	Interim Housing Operating
Building Homes & Jobs (SB 2) (HCD) to Cities & Counties	Ongoing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adult Reentry Grant (BSCC) to CBOs	One-time	Rehab.	Yes	Reentry Services	Yes	No	No	Potentially	No	No
Outreach for Homeless People w/ Mental Illness (DHCS) to Counties	One-Time	No	No	Yes	No	No	No	No	No	No
No Place Like Home (NPLH, Prop. 2) (HCD) to Counties	Multiple Rounds	Yes	Yes	No	No	No	No	No	No	No

	One-Time or Ongoing	Eligible Uses								
		Capital	Operating Subsidies	Services for SH & RRH	Rental Assistance for RRH & SH	Planning	Creating/ Strengthening	One-time Contributions to Flexible Housing Subsidy Pools	Capital for Shelters or Recuperative Care	Interim Housing Operating
Veterans & Affordable Housing Act (Prop. 1) (CalHFA & HCD) to Developers	Multiple Rounds	Yes	Un-known	No	No	No	No	No	No	No

## Timeline for New Program Implementation



## Homeless Emergency Aid Program (HEAP)

### Description & Requirements

To receive funding under HEAP, an applicant must be a collaborative applicant for a homeless Continuum of Care (CoC), a local jurisdiction the CoC designates, or a city with a population of over 330,000. Under the legislation, “jurisdictions represented” must declare a shelter crisis<sup>21</sup> before submitting an application. Staff administering this program at the Business, Consumer Affairs, and Housing (BCSH) Agency interpret this legislative language as requiring jurisdictions directly receiving a HEAP grant, or receiving funding indirectly through a CoC, to declare a shelter crisis. BCSH staff will be clarifying further the shelter crisis declaration requirement in an updated Frequently Asked Questions document.

HEAP applicants must also submit an expenditure plan to BCSH that identifies the uses of the funding and the timeline for spending. The applicant must demonstrate collaboration among jurisdictions, CoCs, or non-profit providers.

CoCs cannot spend more than 5% of their funds on administrative activities. Staff time in providing housing or services is not considered an administrative activity. Though the legislative language does not state explicitly, this limit implies that CoC subgrantees would fall within this 5% limitation as well. Funds cannot be used for overhead or planning.

### Youth Experiencing Homelessness

Grantees must use at least 5% of HEAP allocations to address homelessness among youth. The bill is silent on what specific activities are eligible for this funding.

### Timelines

The BCSH staff plan on issuing the first application on September 5, and has already issued instructions for completing an online application form. Under the legislation, CoCs and eligible

<sup>21</sup> California Government Code Section 8698, passed in 1987, which allowed jurisdictions declaring a shelter crisis to waive state health and safety laws.

cities must apply for funds by December 31, 2018, and BCSH is required to make the first round of awards by January 31, 2019. BCSH could issue a second NOFA, and applications for that funding would need to be received by April 30, 2019, with grants awarded by May 31, 2019. If funds remain, BCSH would work with the California Department of Finance to determine whether BCSH should issue a third NOFA, or return remaining funds to the General Fund. They must make this determination by June 15, 2019. Grantees must obligate at least half of the funds by January 1, 2020, and contractually obligate all funds by June 30, 2021.

First NOFA	Application Due Date	Application Due Date for Second NOFA	Must Confer with DoF Regarding Third NOFA By	Grantees Must Obligate at Least 50% of Funds	Grantees Must Obligate All Funds
September 5, 2018 (planned)	December 31, 2018	April 30, 2019	June 15, 2019	January 1, 2020	June 30, 2021

### **Eligible Uses**

HEAP provides for any use within categories of, “one-time uses that address homelessness” and specifically calls out as eligible activities the following:

- Prevention.
- Criminal justice diversion programs for homeless individuals with mental health care needs.
- Emergency aid.

The legislation and BCSH staff did not define these categories. In a Frequently Asked Questions document, BCSH reminded applicants the program is intended to, “provide localities with one-time flexible block grants to address their immediate homelessness challenges.” Timelines for spending present barriers in achieving full flexibility in using these funds.

### **Examples of Eligible Uses**

The one-time nature and the time limits of HEAP dollars are incongruous with some uses that CoCs typically fund, or that people often consider as meeting “immediate needs” of people experiencing homelessness. However, communities have been able to reduce homelessness through one-time or time-limited interventions that include investments in the development of housing stock or other housing interventions, investments in system-wide processes that improve the ability of residents to exit homelessness quickly, and partnerships that reduce the inflow of people into homelessness (see discussion in recommendations).

### **Formula Allocations**

The law creating HEAP provides three different funding formulas:

- \$250 million will go to homeless CoCs under a formula grouping CoCs by homeless population size. An additional \$150 million will go to homeless CoCs, according to each CoC's proportionate share of the State's total homeless count. \$100 million will go to the 11 cities in California with populations of 330,000 or more total residents, according to each of these cities' proportionate share of the State's total homeless population.

## **Senate Bill 2, Building Homes & Jobs Trust Fund Program**

### **Description**

Senate Bill 2 (Atkins) passed as part of a larger "Housing Package" that Governor Brown signed in September 2017. SB 2 created a document recording fee of \$75 on real estate transactions, except sales. It is expected to generate about \$250 million per year for the Building Homes & Jobs Trust Fund Program.

Under the Building Homes & Jobs Trust Fund Program, half of the document recording fees collected in the first year—2018—must be spent to address homelessness. In the Fiscal Year 2018-19 budget year, the Legislature divvied up this "Year 1 Homeless Funding" as follows:

- \$5 million for a shelter/navigation center in Merced.
- \$5 million for a shelter in Santa Ana.
- 50% of remaining funds (totaling about \$57 million) for a California Emergency Solutions and Housing Program (described below).
- 50% of remaining funds (totaling about \$57 million) for the Housing for a Healthy California program (described below).

The Department of Housing & Community Development (HCD) will spend the remaining fees collected in 2018 on local communities to plan for more streamlined processes for expanding housing production.

Fees collected in 2019 and beyond will be allocated as follows:

- 70% of the funds will go to entitlement jurisdictions under the federal Community Development Block Grant Program, or to smaller cities and counties that apply. Jurisdictions receiving allocations must use the dollars for:
  - Predevelopment, acquisition, rehabilitation, and preservation of rental housing affordable to people with extremely-low, low, and moderate incomes.
  - Operating subsidies and rental assistance.
  - Rapid re-housing, transitional housing, and navigation centers.
  - Capitalized services reserves.
  - Homeownership, down payment assistance, and home modification.
- 15% will go to the California Housing Finance Agency Multifamily Housing Program.
- 10% of the funds will go to farmworker housing.
- 5% of the funds will go to the HCD grant and loan programs.

Overlaying these allocations, 20% of the entire pot of funds must be spent on affordable homeownership.

## **California Emergency Solutions & Housing Program (CESH)**

### **Description & Requirements**

The CESH program is designed to provide a flexible source of funding for homeless Continuums of Care (CoCs) or local governments designated by the local government. It is receiving one-time funding from a portion of the first year of implementation of Building Homes & Jobs Act Trust Fund (SB 2), and is expected to total \$53 million, after the State's administrative costs.

Interested CoCs must submit an application for funding in response to the Department of Housing and Community Development's (HCD) Notice of Funding Availability, [released on August 15th](#). The legislation and NOFA requires CoCs to have the following to apply:

- Either prior experience administering eligible activities or partnership with other CoCs or entities that have such experience.
- A functioning HMIS and CES that meet criteria described in the NOFA. If the CoC does not have both, the CoC must plan to spend at least 20% of their award on creating or updating these systems.
- A description of--
  - The activities the CoC plans on funding,
  - The estimated amounts of funding for each activity, and
  - Numerical goals or performance measures that the CoC and its subgrantees plan to meet.

At a minimum, CoCs must set goals for performance measures that include the following:

- The number of homeless people the CoC expects to serve.
- The number of unsheltered homeless people the CoC expects to serve and the average length of homelessness among participants.
- The number of participants exiting the funded program(s) into permanent housing.
- The number of participants exiting the funded program(s) to homelessness.

CoCs and their subgrantees are limited to 5% of the total award for administrative costs related to the planning and execution of eligible activities. This cap does not apply to staff or overhead costs. Also, the grant may be used for planning to address systems barriers and promote coordinated responses to homelessness, which would not fall under the 5% cap.

CoCs must issue awards to subrecipients within 12 months of their HCD award. Funding may be used to match federal dollars for the federal Emergency Solutions Grant program or Continuum of Care program.

### **Eligible Uses**

Because CESH only received one-time funding, CoCs are somewhat restricted in what they can fund. CoCs can use CESH grants to fund the following activities:

- Strengthening HMIS.
- Creating or strengthening CES.
- Providing rental assistance for individuals or families for up to 48 months. Rental assistance amounts may exceed HUD's Fair Market Rent (FMR) standards, so long as the rent payment does not exceed two times the FMR standard.
- Housing relocation and stabilization services for people experiencing homelessness or at risk of homelessness.
- Capitalized operating subsidies for people experiencing homelessness to access new or existing affordable and supportive housing projects (capitalized as a 15-year reserve).
- Flexible housing subsidy funds for local programs that combine local resources to pay for rental assistance, bridge subsidies, vacancy payments, project-based rent, or operating reserves (for a maximum of 48 months of assistance).

- Operating support for emergency housing interventions, including navigation centers that work to connect people to permanent housing, income supports, shelters, street outreach, and shelter diversion (limited to 40% of any one grant award).
- Communitywide planning to address homelessness systematically.

In prioritizing beneficiaries for the housing and services provided through CESH, CoCs must use a coordinated entry process and prioritize people experiencing homelessness over those at risk of homelessness, except for funding used for prevention activities.

### **Timeline**

HCD issued [the first NOFA on August 15<sup>th</sup>](#). Applicant CoCs that wish to receive funding in November must respond by September 27<sup>th</sup>. CoCs that cannot meet the September deadline must respond by October 15<sup>th</sup>. For the latter CoCs, HCD expects to announce awards in December. CoCs that do not respond by October 15<sup>th</sup> will not receive an award. If any funding is remaining, the funding will revert to the Multifamily Housing Program (MHP).

When awarding grant funds, HCD will provide the awarded CoCs with five-year contracts. If the CoC wishes to use the funding to create a local homeless plan, the CoC must submit the finalized plan at the end of the five-year contract to HCD. For other activities, CoCs must submit annual reports to HCD by July 31<sup>st</sup> of each year of the contract. Reports will include information about amounts awarded to subrecipients, activities funded, the project selection process, and progress on performance measures. HCD may monitor compliance.

### **Funding Formula**

So long as CoCs meet threshold requirements, applying CoCs will receive funding from CESH. The amount of funding is based on a formula that includes:

- The 2017 homeless point-in-time count for that CoC,
- The number of residents within the geographic reach of the CoC that are paying over 50% of their incomes on rent.
- The number of people in poverty, divided by the population of the CoC service area. This last element is weighted twice as heavily as each of the other elements.

## **Housing for a Healthy California Program (HHC)**

### **Description & Requirements**

The Housing for a Healthy California program (HHC) was created by Assembly Bill 74 (Chiu) to create supportive housing for Californians experiencing chronic homelessness or cycles of hospitalizations or nursing home stays and homelessness. Participants must be on or eligible for Medi-Cal. The Governor signed the bill in 2017. The bill allocated funding California receives through the national Housing Trust Fund, ranging from \$16 million to about \$35 million per year, to developers. The Department of Health Care Services (DHCS) will track Medi-Cal outcomes for participants of the program, as they move from homelessness to supportive housing. HCD will use these Medi-Cal data to evaluate the program.

AB 74 also allowed the state to invest future resources into creating supportive housing opportunities for the eligible populations. In this year's State budget, the Legislature decided to invest about half of Year 1 SB 2 proceeds (expected to total about \$57 million) into the HHC program. The administering agency, the Department of Housing & Community Development (HCD), could use these funds by investing in either:

- Grants to counties to fund contributions to local flexible housing subsidy pools, rental assistance, operating subsidies in existing or new supportive housing, gap funding for supportive housing development, or capital to create new supportive housing; or
- Loans to developers to fund capital and capitalized operating subsidy reserves to develop supportive housing projects.

HCD is in the process of deciding how to allocate these funds. As with the national Housing Trust Fund allocation from AB 74, DHCS will track participants' outcomes for the Medi-Cal beneficiaries, and include the outcomes from moving these participants from homelessness to supportive housing.

### **Timelines**

HCD staff plans on releasing guidance and a Notice of Funding Available on HHC by the end of the year and is hoping to release by October.

### **Funding Allocations**

For the National Housing Trust Fund allocations, HCD will use their existing multifamily housing program to allocate loans to developers. Should HCD choose to use funding from the Year 1 Building Homes & Jobs Trust Fund for grants to counties, counties would compete for available funds. In determining which counties should receive allocations, HCD must take into consideration the following:

- Need, to include consideration of the number of people experiencing homelessness and housing cost burden.
- The ability of the applicant county to administer or to partner in administering capital and operating subsidies and rental assistance.
- Documented partnerships with housing providers.
- Demonstrated commitment to address the needs of people experiencing homelessness through existing or planned programs.
- Preferences or set asides in existing programs for people experiencing chronic homelessness or frequent hospital users.
- Coordination with services providers, behavioral health providers, and safety net providers.

Counties must also commit to funding services costs of supportive housing for participants in the program to receive funding.

Should HCD choose instead to invest these Year 1 funds from the Building Homes & Jobs Trust Fund document recording fees for capital development administered through HCD, it will likely add this funding to an existing multifamily housing program HCD already administers.

## **Adult Reentry Grant Program**

### **Description**

The FY 2018-19 State budget included \$50 million for a new criminal justice program administered through the Board of State & Community Corrections (BSCC). The program offers competitive grants intended to support people previously incarcerated in California State prison. Awardees must be community-based organizations.

### **Eligible Activities**

Of the \$50 million available, community-based organizations may apply for and use funds for the following:

- \$25 million for rental assistance.
- \$15 million for rehabilitation of buildings to provide housing.
- \$9.35 million for warm hand-off or reentry services for people transitioning from prisons to communities.

### **Timelines**

BSCC is currently in the process of developing an executive steering committee to create the structure of the Adult Reentry Grant program and make decisions about grant awards. The steering committee will include representatives from the Departments of Housing and Community Development and Office of Health Equity, county probation departments, reentry-focused community-based organizations, criminal-justice-impacted individuals, and housing-focused organizations. BSCC must expend all dollars by June 30, 2021.

### **Funding Allocations**

Community-based organizations will be able to apply for grants, according to guidelines created by the newly-formed steering committee.

## **Homeless Mentally Ill Outreach & Treatment Program**

### **Description & Requirements**

The FY 2018-19 State budget included \$50 million for outreach and treatment of Californians experiencing homelessness or at risk of homelessness and mental illness. The Department of Health Care Services (DHCS) will allocate funding to counties that apply. Cities that receive funding under the Mental Health Services Act can also apply. Funding cannot supplant any existing funding.

DHCS released a [letter to counties](#) on July 31, outlining the requirements. To receive funding, each interested county must adopt a board of supervisors' motion identifying the intended use of the funds and send via e-mail with a letter of interest to DHCS. The letter of interest must identify a single agency or organization responsible for grant compliance.

### **Eligible Activities**

Neither the statute creating this \$50 million grant program nor the DHCS guidance identified specific eligible activities. However, in passing this item, the Legislature indicated recipients can use the grant for a flexible range of services, including street outreach, treatment (so long as it is not supplanting any federal, state, or other local funding), and longer-term services.

### **Timelines**

Interested counties or cities must send the letter of interest with the attached board resolutions to DHCS by September 25th. Counties that fail to submit by this deadline will not receive funding. DHCS intends to notify awardees by October 2nd. Recipients must encumber or expend grant awards by June 30, 2020. Within 90 days of expending all of the funding, the awardee must complete a report that lists activities funded and the number of people the grant served.

### **Funding Allocations**

The funding formula is based on the following:

- The 2017 homeless point-in-time count.
- No Place Like Home non-competitive funding groupings.
- County population data from the Department of Finance.

Small counties will receive a total of \$3.9 million, Los Angeles County will receive \$15 million, and the remaining counties will receive a proportionate share of funds based on the county's homeless population.

## **Proposition 2, No Place Like Home**

### **Description & Requirements**

In 2016, the Legislature passed No Place Like Home, a \$2 billion bond to build supportive housing for people with serious mental illness experiencing homelessness. As a revenue bond, No Place Like Home would use proceeds from the Mental Health Services Act (Proposition 63), passed in 2004, to pay off the debt service on the bonds sold. HCD, the implementing agency, did not fully implement No Place Like Home due to unresolved litigation. Due to the slow pace of implementation, the Legislature this year voted to place No Place Like Home on the November ballot. The ballot will include No Place Like Home as Proposition 2.

No Place Like Home includes \$200 million for non-competitive funding to counties completing a plan to address homelessness that meets the requirements of the [No Place Like Home guidelines](#). It also includes \$1.8 billion in funding issued through a competitive process. Counties would compete for this funding against counties of like size. Counties would partner with developers counties intend to fund to create supportive housing projects.

The four counties in California that have at least 5% of the State's homeless population--Los Angeles, San Diego, Santa Clara, and San Francisco Counties--can choose to use an alternative process, rather than compete for funds administered by HCD. The alternative process allows these counties greater flexibility in administering program funds, but disallows these counties from competing for funds other counties do not use.

### **Eligible Activities**

No Place Like Home would fund capital development of supportive housing for adults with serious mental illness and households with children with serious emotional disturbance who are experiencing:

- Homelessness,
- Chronic homelessness, or
- Risk of chronic homelessness, defined in [HCD's program guidelines](#).

Funding could also be used to provide capitalized operating subsidy reserves for apartment units not receiving other subsidies. The reserve would allow developers to draw funding to pay for operating costs for that unit over 20 years. Developers can access the same level of funding for this operating reserve as the capital loan amount for the same unit.

### **Timelines**

Should Proposition 2, No Place Like Home, pass on the November 2018 ballot, the State would be able to begin selling bonds in early January 2019. However, should it pass, the Legislature allowed the State to access up to \$140 million in current-year proceeds from the Mental Health Services Act to help pay for non-competitive awards to counties.

HCD issued a [Notice of Funding Availability](#) for these non-competitive funds on August 15, 2018. Even though voters must still pass the bond for these funds to be made available to counties, HCD hopes to receive applications almost immediately after the November vote.

HCD also plans to issue a Notice of Funding Availability for the competitive funds, totaling \$1.8 billion, in the Fall of 2018.

## **Proposition 1, The Veterans & Affordable Housing Bond Act of 2018**

### **Description**

As part of a larger housing package passed in 2017, Governor Brown signed Senate Bill 3, the Veterans & Affordable Housing Bond Act, to place a new housing bond on the ballot. Voters will decide whether this program passes or fails in November 2018, when voting on Proposition 1.

### **Eligible Uses**

If the bond passes, it would fund following:

- \$1 billion for the Cal-Vet Farm and Home Loan Program (not for affordable housing).
- \$1.5 billion for the HCD Multifamily Housing Program for affordable and supportive housing.
- \$300 million for infill infrastructure grant funding.
- \$300 million for farmworker housing under the Joe Serna Housing Grant Program.
- \$300 million for the Local Housing Trust Match Program.
- \$300 million for the CalHome program to fund homeownership.
- \$150 million for the CalHFA Home Purchase Assistance program.
- \$150 million for the Transit-Oriented Development program.

Developers would be able to access funding for capital to develop supportive housing.

### **Timelines**

Should Proposition 1 pass on the November 2018 ballot, the State would be able to begin selling bonds in early January 2019.

## APPENDIX B: FUNDING ALLOCATIONS FOR NEW BLOCK GRANT PROGRAMS

Jurisdiction	HEAP	Youth Set Aside for HEAP	Big 11	Big 11 Youth Set Aside	CESH	Homeless Mentally Ill Outreach Program	Total Funding
Los Angeles City and County COC	\$81,099,807	\$4,054,990.39			\$10,394,917		<b>\$91,494,724</b>
City of Los Angeles			\$85,013,607	\$4,250,680			<b>\$85,013,607</b>
Los Angeles County						\$15,000,000	<b>\$15,000,000</b>
San Diego City and County COC	\$18,821,668	\$941,083.42			\$2,531,886		<b>\$21,353,554</b>
City of San Diego			\$14,110,397	\$705,519			<b>\$14,110,397</b>
San Diego County						\$4,246,000	<b>\$4,246,000</b>
San Jose, Santa Clara City and County COC	\$17,506,486	\$875,324.33			\$1,660,173		<b>\$19,166,659</b>
City of San Jose			\$11,389,987	\$569,499			<b>\$11,389,987</b>
Santa Clara County						\$3,428,000	<b>\$3,428,000</b>
San Francisco	\$17,107,314	\$855,365.73			\$1,631,370		<b>\$18,738,684</b>
City of San Francisco			\$10,564,313	\$528,215			<b>\$10,564,313</b>
San Francisco County						\$3,179,000	<b>\$3,179,000</b>
Oakland, Alameda County COC	\$16,192,049	\$809,602.47			\$1,643,119		<b>\$17,835,168</b>
City of Oakland			\$8,761,116	\$433,555			<b>\$8,761,116</b>
Alameda County						\$2,159,000	<b>\$2,159,000</b>
Santa Ana, Anaheim, Orange County COC	\$15,568,715	\$778,435.78			\$1,948,684		<b>\$17,517,399</b>
City of Santa Ana			\$3,690,885	\$184,544			<b>\$3,690,885</b>
City of Anaheim			\$3,690,885	\$184,544			<b>\$3,690,885</b>

<b>Jurisdiction</b>	<b>HEAP</b>	<b>Youth Set Aside for HEAP</b>	<b>Big 11</b>	<b>Big 11 Youth Set Aside</b>	<b>CESH</b>	<b>Homeless Mentally Ill Outreach Program</b>	<b>Total Funding</b>
Orange County						\$2,221,000	<b>\$2,221,000</b>
Sacramento City and County COC	\$12,729,412	\$636,470.61			\$1,619,424		<b>\$14,348,836</b>
City of Sacramento			\$5,645,699	\$282,284			<b>\$5,645,699</b>
Sacramento County						\$1,699,000	<b>\$1,699,000</b>
Salinas, Monterey, San Benito CountiesCOC	\$12,505,250	\$625,262.52			\$1,027,285		<b>\$13,532,535</b>
Monterey County						\$1,315,000	<b>\$1,315,000</b>
San Benito County						\$200,000	<b>\$200,000</b>
Santa Rosa, Petaluma, Sonoma County COC	\$12,111,291	\$605,564.57			\$843,907		<b>\$12,955,198</b>
Sonoma County						\$1,314,000	<b>\$1,314,000</b>
Riverside City and County COC	\$9,791,805	\$489,590.25			\$1,344,336		<b>\$11,136,141</b>
Riverside County						\$1,115,000	<b>\$1,115,000</b>
Watsonville, Santa Cruz City and County COC	\$9,674,883	\$483,744.17			\$889,424		<b>\$10,564,307</b>
Santa Cruz County						\$1,043,000	<b>\$1,043,000</b>
Fresno, Madera County COC	\$9,501,363	\$475,068.14			\$1,563,085		<b>\$11,064,448</b>
City of Fresno			\$3,105,520	\$155,276			<b>\$3,105,520</b>
Fresno County						\$729,000	<b>\$729,000</b>
Madera County						\$100,000	<b>\$100,000</b>
San Bernadino City and County COC	\$9,389,654	\$469,482.71			\$1,459,234		<b>\$10,848,888</b>
San Bernadino County						\$865,000	<b>\$865,000</b>






<b>Jurisdiction</b>	<b>HEAP</b>	<b>Youth Set Aside for HEAP</b>	<b>Big 11</b>	<b>Big 11 Youth Set Aside</b>	<b>CESH</b>	<b>Homeless Mentally Ill Outreach Program</b>	<b>Total Funding</b>
Long Beach COC	\$9,387,420	\$469,371.01			\$1,241,661		<b>\$10,629,081</b>
City of Long Beach			\$2,869,833	\$143,491			<b>\$2,869,833</b>
Santa Maria, Santa Barbara County COC	\$9,385,185	\$469,259.30			\$914,745		<b>\$10,299,930</b>
Santa Barbara County						\$862,000	<b>\$862,000</b>
Turlock, Modesto, Stanislaus COC	\$7,236,985	\$361,849.30			\$1,025,620		<b>\$8,262,605</b>
Stanislaus County						\$770,000	<b>\$770,000</b>
Richmond, Contra Costa County COC	\$7,196,770	\$359,838.54			\$855,496		<b>\$8,052,266</b>
Contra Costa County						\$745,000	<b>\$745,000</b>
Stockton, San Joaquin County COC	\$7,148,363	\$357,418.19			\$1,014,961		<b>\$8,163,324</b>
San Joaquin County						\$715,000	<b>\$715,000</b>
Daly, San Mateo County COC	\$4,993,139	\$246,656.94			\$627,447		<b>\$5,620,586</b>
San Mateo County						\$581,000	<b>\$581,000</b>
Mendocino County COC	\$4,921,967	\$246,098.39			\$927,448		<b>\$5,849,415</b>
Mendocino County						\$200,000	<b>\$200,000</b>
Vallejo, Solano County COC	\$4,917,499	\$245,874.98			\$726,212		<b>\$5,643,711</b>
Solano County						\$571,000	<b>\$571,000</b>
Chico, Paradise, Butte County COC	\$4,889,945	\$244,497.24			\$1,002,650		<b>\$5,892,595</b>
Butte County						\$554,000	<b>\$554,000</b>
Imperial County COC	\$4,859,411	\$242,970.55			\$1,052,999		<b>\$5,912,410</b>





<b>Jurisdiction</b>	<b>HEAP</b>	<b>Youth Set Aside for HEAP</b>	<b>Big 11</b>	<b>Big 11 Youth Set Aside</b>	<b>CESH</b>	<b>Homeless Mentally Ill Outreach Program</b>	<b>Total Funding</b>
Imperial County						\$200,000	<b>\$200,000</b>
Oxnard, San Buenaventura, Ventura County COC	\$4,857,921	\$242,896.08			\$701,401		<b>\$5,559,322</b>
Ventura County						\$534,000	<b>\$534,000</b>
San Luis Obispo County COC	\$4,837,814	\$241,890.70			\$727,047		<b>\$5,564,861</b>
San Luis Obispo County						\$522,000	<b>\$522,000</b>
Marin COC	\$4,831,856	\$241,592.81			\$508,836		<b>\$5,340,692</b>
Marin County						\$518,000	<b>\$518,000</b>
Roseville, Rocklin, Placer, Nevada Counties	\$2,729,084	\$136,454.22			\$558,995		<b>\$3,288,079</b>
Placer County						\$307,000	<b>\$307,000</b>
Nevada County						\$100,000	<b>\$100,000</b>
Redding, Shasta, Siskiyou, Lassen, Del Norte, Plumas, Modoc, Sierra Counties	\$2,695,571	\$134,778.59			\$857,130		<b>\$3,552,701</b>
Shasta County						\$200,000	<b>\$200,000</b>
Siskiyou County						\$100,000	<b>\$100,000</b>
Lassen County						\$100,000	<b>\$100,000</b>
Del Norte County						\$100,000	<b>\$100,000</b>
Plumas County						\$100,000	<b>\$100,000</b>
Modoc County						\$100,000	<b>\$100,000</b>
Sierra County						\$100,000	<b>\$100,000</b>

Jurisdiction	HEAP	Youth Set Aside for HEAP	Big 11	Big 11 Youth Set Aside	CESH	Homeless Mentally Ill Outreach Program	Total Funding
Visalia, Kings, Tulare Counties COC	\$2,635,249	\$131,762.46			\$1,248,692		<b>\$3,883,941</b>
Kings County						\$100,000	<b>\$100,000</b>
Tulare County						\$309,000	<b>\$309,000</b>
Bakersfield and Kern County COC	\$2,603,226	\$130,161.31			\$1,196,992		<b>\$3,800,218</b>
City of Bakersfield			\$1,247,754	\$62,387			<b>\$1,247,754</b>
Kern County						\$376,000	<b>\$376,000</b>
Yuba City and County, Sutter County COC	\$2,565,989	\$128,299.50			\$840,764		<b>\$3,406,753</b>
Sutter County						\$100,000	<b>\$100,000</b>
Yuba County						\$200,000	<b>\$200,000</b>
Humboldt COC	\$2,565,245	\$128,262.26			\$931,026		<b>\$3,496,271</b>
Humboldt County						\$200,000	<b>\$200,000</b>
El Dorado County COC	\$1,448,324	\$72,416.18			\$474,717		<b>\$1,923,041</b>
El Dorado County						\$100,000	<b>\$100,000</b>
Pasadena COC	\$1,428,216	\$71,410.80			\$720,243		<b>\$2,148,459</b>
Davis, Woodland, Yolo County COC	\$1,341,828	\$67,091.41			\$863,524		<b>\$2,205,352</b>
Yolo County						\$213,000	<b>\$213,000</b>
Merced City and County COC	\$1,338,104	\$66,905.23			\$1,045,611		<b>\$2,383,715</b>
Merced County						\$210,000	<b>\$210,000</b>
Lake County COC	\$1,298,634	\$64,931.71			\$1,014,750		<b>\$2,313,384</b>
Lake County						\$200,000	<b>\$200,000</b>



Jurisdiction	HEAP	Youth Set Aside for HEAP	Big 11	Big 11 Youth Set Aside	CESH	Homeless Mentally Ill Outreach Program	Total Funding
Amador, Calaveras, Tuolumne, and Mariposa Counties	\$1,273,314	\$63,665.68			\$562,512		\$1,835,826
Amador County						\$100,000	\$100,000
Calaveras County						\$100,000	\$100,000
Mariposa County						\$100,000	\$100,000
Tuolumne County						\$100,000	\$100,000
Napa City and County COC	\$1,234,587	\$61,729.40			\$398,013		\$1,632,600
Napa County						\$100,000	\$100,000
Colusa, Glenn, Trinity Counties COC	\$631,071	\$31,553.57			\$721,260		\$1,352,331
Colusa County						\$100,000	\$100,000
Glenn County						\$100,000	\$100,000
Trinity County						\$100,000	\$100,000
Glendale COC	\$625,114	\$31,255.68			\$723,163		\$1,348,277
Tehama County COC	\$592,345	\$29,617.29			\$855,637		\$1,447,982
Tehama County						\$100,000	\$100,000
Inyo, Mono, Alpine Counties COC	\$590,111.00	\$29,505.58			\$410,437		\$1,000,548.00
Alpine County						\$100,000	\$100,000
Inyo County						\$100,000	\$100,000
Mono County						\$100,000	\$100,000





## APPENDIX C: SENATE BILL 1380 HOUSING FIRST CHECKLIST

Tenant Screening:		Does the Program Require Providers Who House Tenants to Accept Applicants with the Greatest Needs or Vulnerabilities?			
Programs	 Providers Must Accept Tenants Regardless of Sobriety/Completion of Treatment	 Providers Do Not Reject Applicants for Poor Credit/Financial History, Criminal Background	 Providers May Not Impose a “Housing Readiness” Requirement on Applicants for Housing	 Providers Receive Referrals to Housing from Homeless Response System	 Program Offers Funding Incentives to Providers to Accept Referrals from Coordinated Entry/ Assessment Systems
	Recommendations: The following could be changed in the program requirements and design to meet Housing First core components to reduce barriers to people with the greatest vulnerabilities to getting housed.				

Housing-Based Services:	Are Services Tailored to Tenant’s Needs, Rather Than to Meet Set Programmatic Requirements?			
Programs	 <p>Services Providers are Required to Offer Services Emphasizing Engagement &amp; Problem-</p>	 <p>Services Providers Use Evidence-Based Practices for Engagement</p>	 <p>Services Providers Practice Harm Reduction and/or Recognize Drug/Alcohol Use As Part of Tenant’s Lives &amp; Recovery</p>	 <p>Providers Offer Tenants Education on Avoiding Risky Behaviors, and Connect to Evidence-Based Treatment By Choice</p>

	Solving, Rather than Meeting Set Therapeutic Goals			
<b>Recommendations:</b> The following could be changed in the program requirements and design to meet Housing First core components to reduce housing-based services barriers.				

<b>Services Are Voluntary:</b>		<b>Does the Program Prohibit Conditioning Housing Tenancy on Tenant Participation in Services or Program Compliance?</b>		
<b>Programs</b>	 <p>Housing Providers Must Accept Most Vulnerable Californians Eligible for Program, Regardless of Applicant's Willingness to Participate in Services (though program may require services providers to offer services)</p>	 <p>Program Disallows Housing/Services Providers from Conditioning Tenancy on Participation in Services or Program Compliance</p>		
<b>Recommendations:</b> The following could be changed in the program requirements and design to meet Housing First core components to ensure tenant engagement and prevent eviction that are indicated above:				

<b>Housing Permanency:</b>	<b>Does the Program Require Housing Providers to Offer Housing Without Limit on Length of Stay, with a Lease? <i>If the Housing is Time-Limited, Is the Housing Provider Required to Connect Tenants to Permanent, Decent, Safe Housing Upon Exit?</i></b>			
<b>Programs</b>	 <p>Program Requires Housing Providers to Provide Tenants with Leases and Reflects Tenants' Rights &amp; Responsibilities Of Tenancy Under CA Law <i>(including eviction protections)</i></p>	 <p>Program Disallows Housing Providers from Evicting Tenants for Use of Drugs/Alcohol w/o Lease Violations</p>	 <p>Program Does Not Fund Time-Limited Housing, Unless Housing/ Services Providers Assist Tenants in Relocating to Decent, Safe Permanent Housing Tenant Can Afford Upon Exit</p>	 <p>If Funding Homeless Youth Program, Any Time-Limited Housing Documents Efforts to Avoid Eviction &amp; Help Tenant Find Permanent, Decent, Safe Housing Upon Exit</p>
<b>Recommendations:</b> The following could be changed in the program requirements and design to meet Housing First core components to ensure permanent exits from homelessness.				